Central investment subsidy for industrialisation of backward areas

*10. SHRI SURESH KALMADI: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have announced the extension of Central Investment Subsidy for industrialisation of backward areas for the financial year 1987-88; and

(b) if not, what are the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) and (b) The Central Investment Subsidy Scheme for the industrialisation of backward areas is being extended upto 31-7-1987.

Karnal Refinery

*11. SHRI CHATURANAN MISHRA:

SHRI N. E. BALARAM:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that a joint venture Company—Tata Indian oil Refineries Limited has been formed for undertaking execution and operation of the Karnal refinery in Haryana;

(b) if so, what are the details of the Memorandum of Understanding (MOU) signed between Government and the Tata Chemicals Limited in this connection; and

(c) what progress has so far been made in the completion of the said project?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) to (c) Government of India has entered into a Memorandum of Understanding with M/s Indian Oil Corporation (IOC) and Tata Chemicals Limited (TCL) on 22-5-87 for setting up a grass root refinery at Karnal through a new joint venture company.

(2) The Memorandum of Understanding provides for the refinery to have a capacity of 6 million tonnes per annum and for IOC and TCL to take 26 per cent each of the equity in the new joint venture company. The Board of Directors of the new company will have 12 Directors. TCL will nominate the Managing Director whereas IOC will nominate the Director (Finance). These two will be the whole time Directors of the company. Out of the total 12 Directors, 5 each are to be nominated by IOC and TCL.

3. While the refinery will be in the joint sector, effective control will be ensured through supply of crude oil which is to be arranged by the Government of Indian and the marketing of formula products from the refinery which is to be done by IOC. Apart from this the affirmative vote of Director nominated by IOC will be necessary for certain major decisions to be taken by the joint venture company such as adoption of the annual capital and revenue budgets, selection of technology and process know-how, award of major contracts, major sale and purchase of assets, change in the capital structure, diversification policies, declaration of dividends, pricing and marketing policies for products not subjected to the administered pricing scheme, amendments to the Memorandum and Articles of Association, transfer of shares, appointment of statutory auditors, etc.

4. Regarding the progress of work, land for the project has already been acquired and some preliminary site work has been initiated. A project team comprising of representatives from IOC and TCL has been constituted and work on preparation of a Detailed Project Report has been taken up. Steps are also in hand for

the incorporation of the new joint venture company under the name "Tata-Indian oil Refineries Limited".

Reviving of sick small scale units

*12. PROF. CHANDRESH P. THAKUR:
SHRI KAPIL VERMA:

Will the Minister of INDUSTRY be pleased to state:

(a) what measures are in progress to revive the sick small units in the country;

(b) whether there is any plan to prevent such a high incidence of sickness in this sector; and

(c) if so, what are the details thereof?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) to (c) A number of measures have been taken by Government towards rehabilitation of sick units in the small scale sector. Detailed guidelines have been issued by the Reserve Bank of India in February, 1987 with specific reference to identification of sick small scale units, viability norms, detecting incipient sickness as also reliefs and concessions from banks/financial institutions for implementation of rehabilitation packages in the case of potentially viable units. The Reserve Bank has also indicated warning signals which the financial institutions have to look out for detecting incipient sickness in the small scale sector. A comprehensive package of reliefs and concessions which can be extended to potentially viable sick units under rehabilitation has also been drawn up by the Reserve Bank of India. Special cells have been set up by the Reserve Bank of India, Industrial Development Bank of India and scheduled commercial banks to tackle the problems of sickness in the small scale sector. State-level Inter-Institutional Committees have been constituted to render assistance to sick units in a coordinated manner.

The Government of India have liberalised the margin money scheme under which loan assistance is available to sick small scale units for rehabilitation. Under the liberalised scheme, the maximum amount of assistance per unit has been increased from Rs. 20,000/- to Rs. 50,000/- per unit. Further, while the normal percentage of assistance will be to the extent of 50 per cent of the requirement of margin money for non-tiny units and to the extent of 75 per cent in the case of tiny units, in exceptional cases this could be extended upto 75 per cent in the case of non-tiny units and to the extent of 90 per cent in the case of tiny units subject, however, to the overall financial limit of Rs. 50,000/- per units. The scope of assistance from Small Industry Development Fund set up by the Industrial Development Bank of India in May, 1986 also provides for refinancing the rehabilitation assistance to sick SSI units financed by commercial bank, State Financial Corporations and Small Industry Development Corporations. The Small Industry Development Organisation under the development commissioner, SSI has also taken up a programme of rehabilitation of sick units.

Prosecution of Drug Manufacturers

*13. SHRI NIRMAL CHATTERJEE:
SHRI K. MOHANAN:

Will the Minister of INDUSTRY be pleased to state:

(a) whether in the light of the Supreme Court Judgement Government propose to prosecute some leading drug companies which had violated the provisions of the Drug Price Control Order, 1979;

(b) if so, by when prosecution is likely to be launched against them; and

(c) what are the names of those leading drug manufacturers?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) to (c) In the judgement referred to in